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SUBJECT: RUSSIA - GEORGIA RELATIONS: SOUTH OSSETIA

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11. (C) Summary: The GOR's Special Envoy to the South Ossetian conflict worried to us July 8 about the potential for increased instability in Tskhinvali and urged that the Joint Control Commission be re-started as soon as possible in order to provide a forum for the parties to the dispute. Popov had positive words for the OSCE Chairman's Special Envoy Talvitie and endorsed his proposed confidence-building measures. Putin's April 16 instruction to strengthen social and economic ties to the disputed regions of Georgia was intended to improve life for their residents, and not to increase Russian - Georgian tensions, Popov said. Popov predicted that if Georgia entered NATO it would do so without South Ossetia, which wanted no part of the alliance. End summary.

#### Going Nowhere

12. (C) The GOR's Special Envoy on the South Ossetian conflict Yuriy Popov told us July 8 that the situation in South Ossetia was "going nowhere," with the GOG's "concerted" attempts to destabilize the region continuing. Popov, recalling the "tough wording" of the MFA's July 4 statement on South Ossetia (authored by him), said that the GOR had to react to the series of incidents that were "too obviously" orchestrated by the GOG. The statement chronologically listed provocative incidents which the GOR accused the GOG of "staging," leading up the July 4 shelling incident. The MFA issued another statement on July 9, reiterating GOR concerns on violent incidents in South Ossetia and Abkhazia. A July 10 MFA statement justified the flying of a Russian military airplane over South Ossetia as part of the GOR's efforts to "keep the situation within a legal, peaceful framework." Popov thought that the GOG was feigning progress in Abkhazia while doing everything possible to make the situation worse in South Ossetia. The GOG's ultimate goal was to create an unstable situation in Tskhinvali, where the weakened Kokoity would be ousted and replaced by the GOG's own Sanakoyev. According to Popov, the GOG has been disappointed with Sanakoyev and his lack of influence over the South Ossetian population. Popov stressed that the July 4 shelling was a massive attack, and that the mortars were launched from the Georgian town Nikozi. The GOG's refusal to participate in the investigation was telling, added Popov.

JCC -- the Only Option Now

13. (C) Popov feared that a total breakdown of the negotiation process, leaving no channel of communication between the partners in conflict, combined with deepening hatred, could only lead to further deterioration of the situation and eventual warfare. The two parties were "pathologically suspicious" of each other, he maintained, and lacked a solution to their problems at this point. Popov

urged that the Joint Control Commission (JCC) be revived as soon as possible. Instead of losing more time to "bargaining" about the format of the meeting, the parties should start meeting again to provide an outlet and divert the accumulated hostile sentiment. Popov agreed that the JCC was not perfect and even understood the GOG's reason to call it an "unfair" setting, but being the "take or leave it" situation meant that the Georgian and South Ossetian leaders had no option but to participate. Popov saw an intrinsic flaw in the GOG's proposal of a two plus two plus two format, which makes Russia a participant rather a mediator, by pinning Georgia/Kulta against Russia/Tskhinvali. He warned that the GOR could not accept such a format, while South Ossetians would never accept the introduction of Sanakoyev into the process. Popov said, "Russia may look stubborn in insisting on the JCC but there is no other way at this point."

#### OSCE -- Stalemate Breaker?

14. (C) Popov welcomed OSCE Chairman's Special Envoy Heikki Talvitie's visit to Moscow. He agreed with the OSCE's proposal for confidence building measures, which he said was the only way to end the prevailing total distrust. Per Popov, the Georgians and South Ossetians could focus on small practical projects that affect their lives directly, such as water supply and the removal of illegal checkpoints. To contain regular outbreaks of hostility by "bloodthirsty" armed groups on both sides, concrete actions rather than rhetoric was needed, added Popov.

## Kokoity -- Touchy about Bagapsh

15. (C) With the stir created by Kosovo's independence subsiding, Kokoity now understood that recognition was not in the cards, said Popov. He warned that Kokoity continued to compare himself with Abkhazian "president" Bagapsh and was closely watching the events in Abkhazia. Frustrated by the lack of attention to South Ossetia by the international community, Kokoity might opt for attention-grabbing gestures. In response to a question whether South Ossetia was capable of such acts without Russia's assistance, Popov replied that the GOR had done all it could do to hold Kokoity in check, but was running out of persuasive power. He noted that a three-step settlement proposal of the sort suggested for Abkhazia had been discussed and agreed for South Ossetia two years ago.

# More Economic Ties with South Ossetia

16. (C) Popov argued that Putin's April 16 instruction to establish closer economic and social ties with the conflict regions of Georgia was the "right" thing to do, as the South Ossetian population should not be condemned to live the way they do now. According to Popov, many OSCE and EC projects, despite adequate funding, did not always succeed because of the lack of rapport with the local population. In the meantime, Russia had allotted a "substantial" amount of money and was engaged in projects such as the construction of gas pipelines, power lines, housing, schools and hospitals. In sum, the focus has been education, health, and a higher living standard, Popov said.

## NATO -- South Ossetia Permanently Out

- 17. (C) Popov recalled that the Russian leadership had repeatedly and clearly stated the GOR position on NATO enlargement to Georgia and Ukraine. If Georgia were to join NATO, it would automatically mean that Georgia's territorial integrity would no longer include South Ossetia as South Ossetia did not want to be part of the alliance.
- 18. (C) Popov planned to visit Tbilisi and Tskhinvali for consultations within two weeks. His main goal was to bring the two partners in conflict to the negotiating table.